AR84

LISTING STATEMENT No. 1917

LISTED JULY 10th, 1956
3,000,000 shares of $1.00 par value
Ticker abbreviation PHO
Post section 11

TORONTO STOCK EXCHANGE

LISTING STATEMENT

PHILLIPS OIL COMPANY LIMITED

Incorporated under The Companies Act of the Province of Alberta, by Certificate of Incorporation, issued 9th August, A.D. 1950.

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1. Address of the Company's Head Office and of any other offices:
602 Bamlett Building, Calgary, Alberta.

2. Officers of the Company:

OFFICE HELD	NAME	ADDRESS	OCCUPATION
President	Paul A. Beique	615 Dunlop Avenue, Outremont 8, P.Q.	Civil Engineer
Vice-President	Edwin M. Freeman	685 Rockland Avenue, Outremont, P.Q.	Corporation Executive
Secretary Treasurer	C. S. Blanchard, Q.C.	602 Bamlett Bldg., Calgary, Alberta	Barrister-at-law
Assistant Secretary Treasurer	Norman R. Iredale	602 Bamlett Bldg., Calgary, Alberta	Barrister-at-law
Assistant Secretary Treasurer	Evelyn Wallace	602 Bamlett Bldg., Calgary, Alberta	Secretary

3. Directors of the Company:

NAME	ADDRESS	OCCUPATION
Paul A. Beique	615 Dunlop Ave., Outremont 8, P.Q.	Civil Engineer
Edwin M. Freeman	685 Rockland Ave., Outremont, P.Q.	Corporation Executive
Monroe Abbey	604 University Tower Bldg., 660 St. Catherines St. W., Montreal 2, P.Q.	Barrister-at-law
Clarence R. Gross	132 St. James St. W., Montreal, P.Q.	Barrister-at-law
Harold M. Reid	958 Sun Life Bldg., Montreal, P.Q.	Corporation Executive
Jean Leman	c/o North American Utilities Corporation, 1510 Drummond St., Montreal, P.Q.	Corporation Executive

AUG 21 1956

4. Names and addresses of all transfer agents:
Montreal Trust Company, 122 Seventh Avenue West, Calgary, Alberta, and Montreal, P.Q., Toronto, Ontario, and Vancouver, B.C.

5. Particulars of any fee charged upon transfer other than customary government taxes:
A fee not exceeding fifty (50) cents may be charged for each transfer, and shall be paid before the registration thereof.

6. Names and addresses of all registrars:
Montreal Trust Company, 122 Seventh Avenue West, Calgary, Alberta.

7. Amount of authorized capital:
The authorized capital of the Company is $3,000,000.00.

8. Number of shares and par value:
3,000,000 shares, having a par value of $1.00 per share.

9. Full details of all shares issued in payment for properties or for any other assets other than cash:

Date	Number of Shares	Brief Description
November 18, 1950	450,000	The Company issued 450,000 fully paid Shares to the Liquidator of Phillips Petroleums Limited for distribution amongst the shareholders of the last-mentioned Company, as the consideration for the transfer to Phillips Oil Company Limited of all properties and assets of Phillips Petroleums Limited.
February 11, 1953	50,000	The Company issued and allotted 50,000 fully paid shares in exchange for properties in the Province of Alberta, as follows:— (a) A 50% interest in the freehold petroleum and natural gas rights, together with a 6¼% gross overriding royalty on 1,760 acres; (b) A 20% interest in the freehold petroleum and natural gas rights, together with a 2½% gross overriding royalty on 480 acres; (c) A 32% interest in freehold petroleum and natural gas rights, together with a 4% gross overriding royalty on 640 acres; (d) 10-year freehold petroleum and natural gas leases covering 1,440 acres; (e) Alberta petroleum and natural gas leases covering 2,562 acres. Apart from the total of 500,000 fully paid shares issued by the Company as aforesaid, no other shares have been issued in payment for properties or for any other assets other than for cash.

This listing statement is a copy of the listing application made by the applicant company. The Exchange has received no consideration in connection with the issue of this listing statement other than the customary listing fee. The papers and exhibits submitted by the applicant company in support of the listing application are open for inspection at the general office of the Exchange.

10. Full details of all shares sold for cash.

Date	Number of Shares	Price Per Share	Amount realized by Company
1950			
August 9th	3	$1.00	$ 3.00
September 6th	7	1.00	7.00
November 13th	125,000	1.00	125,000.00
1951			
January 2nd	195	1.00	195.00
January 10th	515	1.00	515.00
January 11th	299	1.00	299.00
January 15th	737	1.00	737.00
January 16th	199	1.00	199.00
January 17th	2,400	1.00	2,400.00
January 20th	5	1.00	5.00
January 27th	95,650	1.00	95,650.00
November 21st	90,000	1.00	90,000.00
December 18th	135,000	1.00	135,000.00
1952			
December 26th	100,000	1.50	150,000.00
1954			
October 4th	25,000	1.50	37,500.00
December 15th	25,000	1.50	37,500.00
1956			
May 1st	200,000	.80	160,000.00
June 12th	50,000	1.05	52,500.00
July	50,000	1.05	52,500.00
TOTAL	900,010		940,010.00

11. Total number of shares issued.

1,400,010

12. Number of shares now in treasury or otherwise unissued.

1,599,990

13. Particulars of any issued shares held in trust for the Company or donated for treasury purposes.

Nil.

14. Date of last annual meeting.

June 17th, 1955.

15. Date of last report to shareholders.

May 15th, 1955.

16. Details of any treasury shares (or shares issued subject to payment or shares held for the benefit of the treasury) now under option or the subject of any underwriting or sales agreement. If none, this to be stated.

(1) By agreement dated May 1st, 1956, Gulf Securities Corporation Ltd., underwrote 100,000 shares at 80 cents a share and secured options on 500,000 shares at prices ranging from 80 cents to $1.30 a share. The underwritten shares and 200,000 optional shares have been taken up, as set out in Item 10 above, and the balance of the option remaining outstanding is as follows:
100,000 shares at $1.05 a share to be exercised by November 1st, 1956, and 200,000 shares at $1.30 a share to be exercised by February 1st, 1957.

(2) Options granted to Directors and Officers of the Company by Resolution of the Shareholders of the Company passed on June 24th, 1954:—

(a) Option granted to Paul A. Beique, President and Managing Director, to purchase all or any part of 15,000 shares at a price of $1.75 per share to be exercised on or before April 29th, 1958;

(b) Options granted to each of the following Directors and for Officers of the Company to purchase all or any part of 3,000 shares at $1.75 per share to be exercised on or before April 29th, 1958:—
T. Palmer Howard (retired)
Rene Morin (deceased)
Harold M. Reid
Edwin M. Freeman
Monroe Abbey
Clifton C. Cross (retired)
Clarence R. Gross
C. S. Blanchard
Total shares under option to Directors, and for Officers, as aforesaid, 39,000 shares.

17. Details of any shares pooled, deposited in escrow, non-transferable or held under any syndicate agreement or control.

None.

18. Details of any registration with or approval or authority for sale granted by or any filing with a Securities Commission or corresponding Government body.

None. Since the undertaking of Phillips Petroleums Limited, as well as all the property and assets of the said Company, subject to payment of its debts and obligations, were taken over by Phillips Oil Company Limited as a going concern, a Certificate to Commence Business was granted to Phillips Oil Company Limited by the Registrar of Companies of Alberta, on the 30th day of September, 1950.

19. Has any application for registration with or approval or authority for sale by or any filing with a Securities Commission or corresponding Government body ever been refused, cancelled or revoked? If so, give particulars.	No.
20. Particulars of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	None.
21. Enumerate fully, giving claim or property numbers, approximate acreage, townships and mining camp or oil field: (a) Properties owned where titles vested in Company. (b) Properties leased. (c) Properties otherwise held. Give particulars of title held by the Company in each instance, (e.g. patented, unpatented, Crown granted, held under mining license, perpetual lease, etc.)	See Engineer's Report on page 6. A more detailed list of properties is on file with the Exchange.
22. Full particulars of any royalties or other charges payable upon production from each individual property.	See Item 21 above.
23. Are any lawsuits pending against the Company or any of its properties, or are there any other circumstances which might affect the Company's position or title adversely? If so, explain fully.	See page 12.
24. Describe plant and equipment on property.	None.
25. Describe development accomplished and planned.	See Page 12.
26. Date and author of mining engineer's or petroleum geologist's report filed with this application and available for inspection on request.	Geological Report of John M. Fulton, Petroleum Engineer and Consulting Geologist, dated June 8th, 1956 and filed herewith.
27. Full particulars of production to date.	The Company owns 25% of the net proceeds of production of Anglo-Phillips No. 1 Well in Turner Valley, and 24% of the net proceeds of production of Anglo-Phillips No. 2 well in Turner Valley. The income of the Company from these two wells is approximately $350.00 per month. Income from the royalty interest in Maryland No. 1 Well, Turner Valley, and Gem Royalties No. 1 Well in Turner Valley, amounts to approximately $100.00 per month.
28. Have any dividends been paid? If so, give date, per share rate, and amount paid in dollars on each distribution.	No dividends have been paid.

29. Name and address of the solicitor or attorney whose certificate that the applicant is a valid and subsisting company and that the shares which have been allotted and issued were legally created and are fully paid and non-assessable has been filed with the Exchange.	C. S. Blanchard, Q.C., 602 Bamlett Building, 630 Eighth Avenue West, Calgary, Alberta.
30. (a) Have any shares of the Company ever been listed on any other stock exchange? If so, give particulars.	Listed on Montreal Curb Market since November 20th, 1950. The Company's shares were listed on the Calgary Stock Exchange but, at the request of the Company, its shares were delisted on that Exchange on December 6th, 1950.
(b) Is any application for listing the shares of the Company on any other stock exchange now pending or contemplated? If so, give particulars.	No.
(c) Has the listing of any shares of the Company ever been refused or deferred on any stock exchange? If so, give particulars.	Application to list on Toronto Stock Exchange deferred by Exchange in May, 1953. No other refusal or deferment.
31. Particulars of the principal business in which each director has been engaged during the past five years, giving the length of time, position held and name of employing company or firm.	PAUL A. BEIQUE:—Consultant in Civil Engineering and self employed as such during entire period. EDWIN M. FREEMAN:—Principal occupation during past five years has been that of a Corporation Executive in which capacity he has served as President and Director of United Asbestos Corporation; Vice-President and Director of Quebec Copper Corporation; Vice-President of Calalta Petroleums Ltd.; and Director of other companies. MONROE ABBEY:—Barrister and Solicitor practising on his own account in Montreal during entire period. CLARENCE R. GROSS:—Barrister and Solicitor practising in Montreal on his own account and as a partner in the law firm of Rudenko & Gross, during entire period. HAROLD M. REID:—Manager of Canadian Advertising Agency Limited, Montreal, during entire period. JEAN LEMAN:—Treasurer of North American Utilities Corporation, Montreal, during entire period.

Dated at Calgary, Alberta the 19th day of June, 1956.

CORPORATE SEAL

PHILLIPS OIL COMPANY LIMITED
"PAUL A. BEIQUE", *President*
"C. S. BLANCHARD", *Secretary-Treasurer.*

STATEMENT SHOWING NUMBER OF SHAREHOLDERS
as of June 14th, 1956

Number			Shares
784	Holders of	1 – 100 shares	45,349
578	"	" 101 – 1000 "	253,603
57	"	" 1001 – 2000 "	91,469
18	"	" 2001 – 3000 "	44,710
17	"	" 3001 – 4000 "	57,445
14	"	" 4001 – 5000 "	66,825
32	"	" 5001 – up "	790,609
1,500	Stockholders	Total shares	1,350,010

FINANCIAL STATEMENTS

BALANCE SHEET

May 10, 1956

Supplemental Financial Information

Since May 10th, 1956, the date of the Balance Sheet published below, the Company has received $105,000.00 from the sale of 100,000 treasury shares and the current assets and issued capitalization have been increased accordingly.

ASSETS

CURRENT ASSETS:			
Cash			$ 181,498.29
Accounts receivable			762.95
			182,261.24
INVESTMENTS, AT COST:			
Shares in other companies (Market value $939,000.00)		$ 580,392.84	
Royalties		124,812.90	
Petroleum and natural gas leases, reservations and deposits		156,739.75	861,945.49
DEVELOPMENT EXPENSE, AT COST:			
Exploratory development		78,550.85	
Abandoned wells		30,157.40	108,708.25
			$1,152,914.98

LIABILITIES

CURRENT LIABILITIES:			
Accounts payable			$ 8,050.25
CAPITAL STOCK AND DEFICIT:			
Capital stock (Note):			
Authorized—			
3,000,000 shares of $1.00 each	$3,000,000.00		
Issued and fully paid—			
1,300,010 shares		$1,300,010.00	
Capital surplus, as per statement		413.54	
		1,300,423.54	
Deduct deficit, as per statement		155,558.81	1,144,864.73
			$1,152,914.98

Note:

Options are outstanding on capital stock as follows:

1. Directors and officers—39,000 shares at $1.75 per share expiring April 29, 1958.
2. Underwriter—200,000 shares at $1.05 per share payable by November 1, 1956 and 200,000 shares at $1.30 per share payable by February 1, 1957.

Signed on behalf of the Board:

"PAUL A. BEIQUE", Director

"E. M. FREEMAN", Director

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Phillips Oil Company Limited as of May 10, 1956 and the statements of profit and loss and deficit and capital surplus for the period from January 1 to May 10, 1956 and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the above balance sheet and accompanying statements of profit and loss and deficit and capital surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company at May 10, 1956 and the results of its operations for the period ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the company.

Montreal, P.Q.
May 28, 1956.

"Peat, Marwick, Mitchell & Co."
Chartered Accountants.

STATEMENT OF PROFIT AND LOSS AND DEFICIT

From January 1 to May 10, 1956

EXPENSES:		
Lease rentals and reservation renewal fees	$	14,089.21
Management salaries and expenses		4,000.00
Directors' fees		75.00
Legal fees		125.60
Transfer agent's fees and expenses		609.16
Printing and stationery		117.46
Office and general expense		365.22
		19,381.65
Deduct royalty income		879.56
Net loss for the period		18,502.09
Deficit at January 1, 1956		137,056.72
Deficit at May 10, 1956	$	155,558.81

STATEMENT OF CAPITAL SURPLUS

From January 1 to May 10, 1956

Balance at January 1, 1956	$	40,413.54
Deduct discount on capital stock		40,000.00
Balance at May 10, 1956	$	413.54

ENGINEER'S REPORT

June 8, 1956.

Phillips Oil Company Limited,
600 Bamlett Building,
Calgary, Alberta.

Re: Geological Report of Land Holdings
Phillips Oil Company Limited
Att'n: Mr. C. S. Blanchard.

Dear Sirs:

The attached is a Geological Report on the Land Holdings in which your Company has various interests. This has been compiled at the request of your Mr. C. S. Blanchard. Description of Company acreage has been provided by various maps and lists from the office of the Phillips Oil Company. Details of the holdings have not been checked.

Your Company holds 364,240 acres of Petroleum and Natural Gas Reservation and Indian Land Permit, chiefly in the deep highly folded and faulted mountain front and near mountain front area of southwestern Alberta. An additional 62,282 acres is held under lease, most of which is in the Grande Prairie area and the balance of Lac La Biche. A further 20,481.56 acres is held in numerous small scattered leases scattered over wide areas in central and southern Alberta. Approximately 7,680 acres Freehold and Royalty interest is held by your Company in southwestern Manitoba.

All of the properties held by your Company are in the sedimentary province where gas and oil discoveries may reasonably be expected to occur. Your most promising land is located in the Grande Prairie area where commercial oil production appears to be indicated at one well and a second gas well stands capped. At Lac La Biche one gas well has been completed in your lease block. It is to be expected that this gas producing area will prove to be spotty. Two small leases in the Okotoks area hold good promise of commercial oil production based on test data from a well currently drilling and not yet completed between the lease areas.

One of your holdings in the Volmer area has two completed wells. One is a marginal oil well, while the second is operated as a gas well, capable of producing a small amount of oil.

Some dry holes have been drilled on and near your lands, but these have not been with sufficient density to disprove the property.

No commercial production has yet been established for your holdings in southwestern Manitoba. Production areas in that area are very spotty. These interests are widely scattered through the trend of known production.

Respectfully submitted,
J. M. Fulton, P. Eng. A.I.M.E.

JMF:mm

PORCUPINE HILLS AND PEIGAN INDIAN RESERVE

AREA AND LOCATION:

Total 188,785 acres, together with 7,360 additional acres of Indian Reserve. Approximately centered 40 miles north of the Pincher Creek sulfur-gas condensate field and 50 miles south southeast from the nearest point in the Turner Valley Oilfield.

CLASS OF HOLDING:

Petroleum and Natural Gas Reserve as well as Indian Land Permit.

DEPTH CLASSIFICATION:

Very deep. Potential oil and gas possibilities to estimated 15,000 feet.

HORIZONS OF INTEREST:

The Belly River sands, Cardium, (Bighorn) Jumping Pound, Mississippian or Devonian formations are all prospective oil and gas horizons. The only well to be drilled on the reserve found the first three mentioned horizons to be relatively tight and poorly developed. Thus the Mississippian and Devonian are most likely to result in commercial oil and gas production.

GENERAL GEOLOGY:

These lands lie on the immediate eastern edge of the faulted and folded area fronting on the Livingstone Mountain Range. Some faulting is undoubtably present, most especially in the south west corner of the holding. Oil and gas is most likely to be found in structure at depth or associated with fault block closures.

INVESTIGATION TO DATE:

One well has been drilled to date to depth 13,000 and abandoned without commercial oil or gas in the Mississippian formation. Surface geology has been carried out in the area and some seismic surveys have been completed.

CARBONDALE

AREA AND LOCATION:

Total 19,560 acres. Centered approximately 20 miles west south-west from the town of Pincher Creek and 12 miles due south from the town of Bellevue in the Crowsnest Pass.

CLASS OF HOLDING:

Petroleum and Natural Gas Reserve.

DEPTH CLASSIFICATION:

Moderate depth to very deep. Potential oil and gas prospect from surface to estimated 18,000 feet if drilling should be carried below the known faulted section.

HORIZONS OF INTEREST:

Prospective horizons for oil and gas are the Belly River sands, Cardium (Bighorn), Jumping Pound, Permo-Penn of minor interest and the Mississippian and Devonian of major interest.

GENERAL GEOLOGY:

This lease is within the very highly faulted and sharply folded area of the Blairmore and Livingstone Mountain Ranges. Structures favourable for the accumulation of oil and gas may be present in the Mississippian and Devonian above the major faults. Additional structure may be present at depth and prove to be locatable through improved seismic control.

INVESTIGATION TO DATE:

Surface geology and seismic coverage. Nearest significant wells are some 12 miles east of the property and have little bearing on this prospect.

SAVANNA CREEK

AREA AND LOCATION:

This holding totals 59,840 acres. These lands are somewhat widely scattered over a rectangular area 22 miles north to south by 8 miles west to east. Approximately center of the holding is 12 miles south east from the successful gas well completion, Husky Northern Target Savanna Creek No. 1, and 26 miles due north of the town of Coleman.

CLASS OF HOLDING:

Petroleum and Natural Gas Reserve.

DEPTH CLASSIFICATION:

Moderate to very deep. Oil and gas prospect from approximate 4000 to 15,000 feet.

HORIZONS OF INTEREST:

All of the usual Upper Cretaceous as well as Lower Cretaceous sands are of minor interest as a gas and oil prospect. Major interest is the Rundle formation which is productive to the north in the Savanna Creek Well. The Devonian formations are also a prospective oil and gas horizon, but are little known within this area.

GENERAL GEOLOGY:

The area is a very highly faulted and folded, lying behind the Livingstone range and west of the outcrop of the Livingstone fault. Mississippian depths range from surface outcrops to estimated 6,000 feet and deeper at some of the indicated anticlinal folded structures. There is no record of the Devonian sediments within the area, although these undoubtably underly the Mississippian either above, or below the principal faults.

Some anticlinal features have been indicated within the area in basis of field geology. It is probable that the Savanna Creek feature, gas productive 6 miles to the north, may extend into the property.

INVESTIGATION TO DATE:

No wells have been drilled on this property to date. Surface geology and seismic work has been carried out in the prospect. One well, of no significance to this holding, was drilled and abandoned one mile east of reserve area.

COLEMAN AND CROWSNEST CREEK

AREA AND LOCATION:

Total 79,765 acres. This holding is approximately 20 miles north to south and 16 miles west to east. It straddles the travelled area through the Crowsnest Pass and the center of the land is approximately 3 miles south of the town of Coleman. The south west edge is delineated by the British Columbia-Alberta boundary.

CLASS OF HOLDING:

Petroleum and Natural Gas Reserve.

DEPTH CLASSIFICATION:

Highly variable ranging from surface to very deep. Depths may range from 2,000 feet for structure above the Livingstone fault, to estimated 20,000 feet if investigation is carried below the known faults.

HORIZONS OF INTEREST:

The Belly River sands, Cardium (Bighorn) Jumping Pound, Permo-Penn and Devonian are minor oil and gas prospects. The Mississippian formations are of major interest.

GENERAL GEOLOGY:

This land includes the highly faulted and folded section of the Blairmore and extends west to the High Rock Range at the Alberta-British Columbia boundary.

Structures favourable for accumulation of oil and gas are indicated in the sediments above the Livingstone Thrust plane in association with minor indicated faults.

No data is available to indicate structure favourable to oil and gas at depths below the principal fault plains.

INVESTIGATION TO DATE:

Surface geology and seismic work has been carried out on the reserve.

No wells have been drilled on the property to date. One well has been abandoned about two miles north east of this land. This well does not have any significance on the prospect because of the very rapid structural changes within the area.

ALEXANDER INDIAN RESERVE

AREA AND LOCATION:

Total 8,930 acres. Centered approximately 20 miles northwest of the city of Edmonton.

CLASS OF HOLDING:

Indian Land Permit.

DEPTH CLASSIFICATION:

Medium depth prospect oil and gas possibilities from 3000 to 6000 feet.

HORIZONS OF INTEREST:

Drilling on the Permit area and in the vicinity have indicated that Basal-Quartz sandstone is of major interest as a gas horizon and that the Viking, alternate Blairmore sands to the Basal Quartz, together with the D-2 and D-3 are minor gas and oil interest.

GENERAL GEOLOGY:

This area contains all of the sediments common to the central plain area, with the Lower Cretaceous series overlying the Devonian formations. No significant structure is known to be on the property, although seismic data indicates a possible high in the southwestern part of the holding.

Recent gas well completions, approximately three miles north east of the holding indicated that there is a slight possibility that the Basal Quartz sandstone might be productive of gas in each of the north east and south east corner of the Permit area should drilling encounter these sands sufficiently high to overlie the known water-table.

INVESTIGATION TO DATE:

One well has been drilled on the property (Located 5-33-55-27W4) and abandoned at 5508 feet without developing any commercial gas or oil. Six very prolific gas wells have recently been completed about three to four miles north east of the area with one abandoned well lying between these and the Permit area.

Some seismic work and photo-geology has been completed on the property to date.

GRANDE PRAIRIE

AREA AND LOCATION:

Total 47,876 acres in a rectangular block 7 miles north to south and 19 miles west to east. Center of the area is approximately 18 miles north north-east from the town of Grande Prairie in Northwestern Alberta.

CLASS OF HOLDING:

Petroleum and Natural Gas Lease.

DEPTH CLASSIFICATION:

Shallow depth to deep. One gas well has been completed at 2400 feet. Gas and oil prospect exists from this point to estimated 12,000 feet.

HORIZONS OF INTEREST:

The Dunvegan and Permo-Penn are of major interest as potential gas horizons. The Triassic is of major interest as a potential oil horizon. All of the following horizons are of minor interest as gas and oil prospects: Upper Cretaceous, Lower Cretaceous, Jurassic, Mississippian, Devonian and Cambrian.

GENERAL GEOLOGY:

This area has unusual thickness of sedimentary beds favourable to the accumulation of gas and oil. Structure rises to the north and east with resultant pinch-out of formation, chiefly within the Triassic. The indicated oil production at the oil well now completed is probably due to the up-dip pinch-out within the Triassic sands. Other parts of the lease area will undoubtably have stratigraphic traps.

Some structure may exist within the area, but this should be expected to be generally broad in extent and of low relief.

INVESTIGATION TO DATE:

Two indicated commercial oil and gas wells have been completed to date within the property. The first, located 13-20-74-6W6, was completed as a gas well in the Dunvegan sandstone of the Upper Cretaceous at 2.2 million cubic feet per day. The second well, located in 7-26-74-8W6, was carried to 9010 feet in the Mississippian, indicated a possible commercial gas prospect in the Permo-Penn, and was completed as an oil well in the Triassic. On completion it was estimated that the well would pump 70 barrels of 29° gravity oil per day. It is planned to initiate complete production tests and marketing of oil from this well in the immediate future.

Seismic surveys have also been carried out throughout the area.

LAC LA BICHE

AREA AND LOCATION:

Totals 14,406 acres. Located on the north to north-east shore of Lac La Biche. These lands are centered about 10 miles north-north-east from the town of Lac La Biche.

CLASS OF HOLDING:

Petroleum and Natural Gas Lease.

DEPTH CLASSIFICATION:

Shallow to medium depth. Basement in this area is about 3500 feet. Gas production has been obtained within the lease from 800 feet to 1500 feet.

HORIZONS OF INTEREST:

The Viking sandstone and Basal Cretaceous sandstone are of major interest as gas horizons. These sands, together with the Lower Cretaceous sands and Nisku member are of minor interest as gas and oil formations.

GENERAL GEOLOGY:

The sedimentary section from the Lower Cretaceous through to the Nisku has been eroded from the area. Chief interest has been in low relief structures which probably overly the Devonian highs. Some of these sands shale out up-dip and gas has been entrapped in the flank sands to these structures.

Present information indicates that the known gas zones are not continuous over large area.

INVESTIGATION TO DATE:

Three gas wells have been completed in the vicinity of your Company leases to date. One of these is on your lease area. These produce from the Viking sandstone or from the Lower Cretaceous sandstone.

Ten additional wells, scattered within the lease blocks and surrounding the lease blocks, have been abandoned without developing commercial gas.

No wells have yet drilled to investigate the Cambrian sand development.

BRUDERHEIM

AREA AND LOCATION:

Totals 160 acres located about six miles due south of the southermost end of the Redwater oil field.

CLASS OF HOLDING:

Petroleum and Natural Gas Lease.

DEPTH CLASSIFICATION:

Medium depth. Potential oil or gas from 2500 feet to 3500 feet.

HORIZONS OF INTEREST:

Major interest in the Lower Cretaceous Sands. Minor interest in the Viking and Devonian sediments.

GENERAL GEOLOGY:

Overlies the reefal area but appears to be too low for commercial gas or oil. Some low relief structures are known in the area and production may be found in stratigraphic traps.

INVESTIGATION TO DATE:

Seismic work has been run over the lease. One well, located one mile north of the property, indicated near commercial oil production from a Lower Cretaceous sand. This well was subsequently abandoned.

All other wells in the area have proved uncommercial.

CHIP LAKE

AREA AND LOCATION:
Totals 261 acres approximately 30 miles north of the main development in Pembina.

CLASS OF HOLDING:
Petroleum and Natural Gas Lease.

DEPTH CLASSIFICATION:
Medium depth to deep. This is a gas and oil prospect to approximately 12,000 feet.

HORIZONS OF INTEREST:
The Viking, Lower Cretaceous, Mississippian and Devonian are of major interest. The Belly River sands and Cardium are of minor interest as gas and oil horizons.

GENERAL GEOLOGY:
This is a very deep sedimentary basin with good gas and oil prospect. It lies somewhat east of the Cardium producing trend. Structure and stratigraphic traps may exist within the area.

INVESTIGATION TO DATE:
No wells have been drilled near these leases to date. Seismic work has been carried out in the area. Nearest drilling offset this acreage six miles.

HANNA-CRAIGMYLE

AREA AND LOCATION:
Totals 1122 acres in scattered parcels approximately 100 miles east north-east from Calgary.

CLASS OF HOLDING:
Petroleum and Natural Gas Lease.

DEPTH CLASSIFICATION:
Medium depth. Gas and oil prospect to estimated 5500 feet.

HORIZONS OF INTEREST:
Viking, Blairmore sands and Mississippian are of principal interest as gas and oil horizons. The Devonian horizons are of minor interest due to the depth factor.

GENERAL GEOLOGY:
This area contains all of the normal sediments from the Lower Cretaceous through the Devonian series. Known structures have very moderate dips and gas and oil to date. Gas and oil accumulations which have been located to date in the general area have been associated with these structures and flank pinch outs.

INVESTIGATION TO DATE:
No wells have been completed on these properties to date. Several commercial gas wells and somewhat marginal oil wells have been completed in the general area.

LISBURN

AREA AND LOCATION:
Totals 160 acres approximately 60 miles west north-west from Edmonton.

CLASS OF HOLDING:
Petroleum and Natural Gas Lease.

DEPTH CLASSIFICATION:
Medium depth. Oil and gas prospect to 7500 feet.

HORIZONS OF INTEREST:
The Viking and Blairmore are of major interest while the Mississippian and Devonian are of minor interest for gas and oil.

GENERAL GEOLOGY:
The area is covered by the normal sedimentary series. There is some Mississippian structure in the area and flank pinch-out of the higher sands may be encountered.

INVESTIGATION TO DATE:
Nearest wells to the lease are located at Lisburn where sub-commercial Viking oil has been tested and at Barrhead, 10 miles north-east, where Mississippian oil and Basal Blairmore gas was encountered.
Seismic work has been carried out throughout this area.

LLOYDMINSTER

AREA AND LOCATION:
Totals of 160 acres, located three miles south-west of the town of Lloydminster.

CLASS OF HOLDING:
Petroleum and Natural Gas Lease.

DEPTH CLASSIFICATION:
Shallow. Oil and gas prospect to 2000 feet.

HORIZONS OF INTEREST:
Major interest in the Viking and the Blairmore sands. There is very little chance of other oil or gas production.

GENERAL GEOLOGY:
The Sparky sand is the principal producer of heavy black oil in the nearby area. The Viking is also a regional oil and gas prospect.

INVESTIGATION TO DATE:
No successful wells have yet been drilled near the lease area. Nearest wells, drilled approximately one mile distance, have been unsuccessful and abandoned.

MAJORVILLE

AREA AND LOCATION:
Totals 7,360 acres in scattered small parcels over an area approximately 30 miles north to south and 16 miles west to east. Center of the area is approximately 75 miles east of southeast from the city of Calgary.

CLASS OF HOLDING:
Petroleum and Natural Gas Lease.

DEPTH CLASSIFICATION:
Medium depth. Gas and oil prospect to 7000 feet.

HORIZONS OF INTEREST:

Major interest is the Blairmore sands, the Ellis sand and the Rundle. Minor interest for oil or gas is the Viking and Jefferson Formations.

GENERAL GEOLOGY:

This land lies on the east flank of the Alberta syncline and the Sweetgrass Arch extends into the general area. The section is favourable to terrace structures, gentle folding and to stratigraphic pinchout of sands.

INVESTIGATION TO DATE:

Few wells have been drilled in the area. Commercial gas wells are located north and east of the area. Oil shows have been reported and tested in several wells throughout the general area. No significant commercial production has been developed to date.

PONOKA AND RED DEER

AREA AND LOCATION:

Totals 498.2 acres in three separate parcels approximately 6 miles south west of Ponoka.

CLASS OF HOLDING:

Petroleum and Natural Gas Lease.

DEPTH CLASSIFICATION:

Medium depth to deep. This is a gas and oil prospect to 8000 feet.

HORIZONS OF INTEREST:

The Viking, Blairmore, Mississippian and Devonian sediments are of major interest for gas and oil prospect.

GENERAL GEOLOGY:

A normal sedimentary series overlies the errosional surface. Reef developments may also run through the general area. Flank sand developments may contain oil or gas with best prospect in the Blairmore and Viking formations.

INVESTIGATION TO DATE:

The Red Deer parcel is closely offset by an abandoned well. The Basal Blairmore is gas productive at four miles northeast of the Ponoka leases. The Joffre Viking oil production is about ten miles south of this land.

Considerable seismic work has been carried out in this region.

REDWATER EAST

AREA AND LOCATION:

Totals 160 acres, 8 miles east of the Redwater oil field.

CLASS OF HOLDING:

Petroleum and Natural Gas Lease.

DEPTH CLASSIFICATION:

Medium depth. Gas and oil prospect to 5000 feet.

HORIZONS OF INTEREST:

Minor interest for oil and gas in the Viking, Blairmore and the Cooking Lake Fragmental limestone.

GENERAL GEOLOGY:

A normal sedimentary section exists but land is east of the Woodbend high which is productive at Redwater. Pinchout may exist in the Viking and Blairmore section which could carry gas and oil.

INVESTIGATION TO DATE:

The Skaro Oil pool, which has minor oil production from the Fragmental Cooking Lake limestone lies four miles north. A well, drilled one mile south east of the property, proved unproductive and was abandoned.

MONARCH

AREA AND LOCATION:

Totals 320 acres in a single parcel twelve miles west of the city of Lethbridge.

CLASS OF HOLDING:

Petroleum and Natural Gas Lease.

DEPTH CLASSIFICATION:

Medium depth. Oil and gas prospect, to 7000 feet.

HORIZONS OF INTEREST:

Major interest for the Bow Island, Blairmore and Mississippian formations.

GENERAL GEOLOGY:

Located on the eastern edge of the Alberta syncline. The Bow Island and Blairmore formations tend to be poorly sorted and "tight" throughout the area. A Mississippian nose is believed to flank this area.

INVESTIGATION TO DATE:

No significant wells have been drilled near this lease. Seismic studies have been carried out over the area.

STETTLER-DONALDA

AREA AND LOCATION:

Total 640 acres located 18 miles north east of the Erskine oil production.

CLASS OF HOLDING:

Petroleum and Natural Gas Lease.

DEPTH CLASSIFICATION:

Medium depth. Oil and gas prospect to 6000 feet.

HORIZONS OF INTEREST:

Major interest in the Viking, Blairmore sands and the Nisku formations.

GENERAL GEOLOGY:

Mississippian structure exists within the area and may have flank accumulation of oil or gas. The area is also "reefal" and should have commercial oil or gas in any significant "highs".

INVESTIGATION TO DATE:

Few wells have been drilled in the area and all have been unsuccessful. Considerable seismic work has been carried out in this district.

TURNER VALLEY

AREA AND LOCATION:

Total 318.38 acres one mile west of the oil production area in Turner Valley.

CLASS OF HOLDING:

Petroleum and Natural Gas Lease.

DEPTH CLASSIFICATION:

Deep to very deep. Gas and oil prospect to estimated 15,000 feet.

HORIZONS OF INTEREST:

The Madison limestone is of minor interest. Oil and gas prospects still exist within the Cardium and Cretaceous sands.

GENERAL GEOLOGY:

Highly faulted and folded area fronting on the mountains. Very steep dips and would probably contact the normal oil producing Madison limestone below the known water table.

INVESTIGATION TO DATE:

One well, immediately adjacent to the lease, has been abandoned without reaching significant depth. All other wells to date, within the area and off the known area of Turner Valley production, have been unsuccessful.

VOLMER

AREA AND LOCATION:

Total 475 acres in a single parcel located north-west from the Campbell Oil Field.

CLASS OF HOLDING:

Petroleum and Natural Gas Lease.

DEPTH CLASSIFICATION:

Medium depth. Gas and oil prospect to 6000 feet.

HORIZONS OF INTEREST:

Principal interest is in the basal blairmore sands. The Viking and Devonian are of minor importance.

GENERAL GEOLOGY:

The area carries the normal sedimentary section and some oil trap is evident from the adjoining Campbell Oil Field.

There are minor possibilities of oil and gas bearing reef within the area.

INVESTIGATION TO DATE:

Two wells have been completed on the property to date in the Basal Blairmore sand. Each of these wells has produced small quantities of oil but has subsequently been closed in due to economic limitations resulting from excessive gas production at one well and from excess water production at the second well.

WAINWRIGHT

AREA AND LOCATION:

Total 2,562 acres in seven small scattered small parcels over an area about six miles square centered about eighteen miles due north the town of Wainwright.

CLASS OF HOLDING:

Petroleum and Natural Gas Lease.

DEPTH CLASSIFICATION:

Shallow to medium depth. This is a gas and oil prospect to about 4500 feet.

HORIZONS OF INTEREST:

The Viking, together with the Colony and Wainwright sands, are most important. The Leduc and Cambrian sediments are of minor interest.

GENERAL GEOLOGY:

The sedimentary basin is at shallow depth and relatively thin. Oil and gas traps through the area are mostly related to stratigraphic traps within the sands and to flank pinch out from underlying Devonian structures.

INVESTIGATION TO DATE:

Several wells have been drilled in the vicinity to date. Those wells which are closest to this holding, generally surrounding the lease and seven in number, have all been unsuccessful.

CALGARY AND OKOTOKS

AREA AND LOCATION:

Total 4807.18 acres in fourteen small parcels scattered in the Calgary De Winton Okotoks area.

CLASS OF HOLDING:

Petroleum and Natural Gas Lease.

DEPTH CLASSIFICATION:

Deep. Gas and Oil prospect to 12,000 feet.

HORIZONS OF INTEREST:

Most important horizon is the Wabamun (D-1) and the Mississippian. The Cretaceous sediments are of lesser importance.

GENERAL GEOLOGY:

Several structures are known within the area and hold promise of oil and gas in the Mississippian and Devonian highs, as well as in pinch-out and facies change in the Cretaceous and other sediments.

INVESTIGATION TO DATE:

Few wells have been drilled in the area.

The Calgary lease is currently offset at six miles by a sulphur gas condensate well completed in the Wabamun. The "trend" may continue to this lease area.

The Okotoks east area also has promise of Wabamun gas condensate production, most especially in the holding closest to the Shell-Okotoks production.

Two parcels in the De Winton area almost surround a well currently drilling. This well tested encouraging shows of Mississippian oil and may ultimately be completed as an oil well, after exploring to deeper horizons.

MANITOBA

AREA AND LOCATION:

Totals approximately 7680 acres in thirty-seven parcels scattered forty-two miles north to south and twenty miles west to east in the southwest area of Manitoba. The lands center approximately twenty-five miles southeast of the Roselea Oil Field.

CLASS OF HOLDING:

Freehold and Royalty interest.

DEPTH CLASSIFICATION:

Shallow. Gas and oil prospect to 2500 feet.

HORIZONS OF INTEREST:

The zone of major interest is the Madison limestone. No other horizons have proved commercial to date.

GENERAL GEOLOGY:

The sedimentary section is very thin throughout the Manitoba area. The Madison section alone has moved productive to date and this only in locations where permeability development has been better than average.

Oil accumulations within the area are association with permeability up-dip pinch-out and to moderate low relief structures.

Many sections of the Madison in Manitoba have long sections of oil saturation but are too tight to result in commercial oil production.

INVESTIGATION TO DATE:

This area is well covered with exploration tests. While most of the lands are within the extended trend of the Roselea oil pool, no commercial wells have yet resulted on or near the properties to date.

There are some indications that commercial production may be developed in Township 4, Range 22, W. 1.

CERTIFICATE

June 8, 1956.

I, John Mayhew Fulton, of the City of Calgary, in the Province of Alberta, hereby certify as follows:

(1) I am a Consulting Engineer and Geologist and reside at 3808 - 9th Street, South West, Calgary, Alberta.

(2) I am a graduate of the University of Alberta and have been practising my profession as an Engineer and Geologist for 16 years.

(3) I am a registered Professional Engineer in the Association of Professional Engineers of Alberta.

(4) I have no interest, either directly or indirectly, and I do not expect to receive any interest, either directly or indirectly, in the properties covered by the accompanying report to the Phillips Oil Company Limited, or in its securities.

(5) The accompanying report is based on personal knowledge of the subsurface geology of the lands as described in the attached report, to the Phillips Oil Company Limited, but is not based on a personal examination of these lands.

"J. M. Fulton"
R. P. Eng. (Alberta)

Item 23.

The Company and Canada Oil Lands Ltd. are co-plaintiffs in an action in the Supreme Court of Alberta, against Sinclair Canada Oils Limited and Banff Oil Ltd. relating to Crown Buffalo Lake No. 1 Well drilled on Lsd. 7 of Section 26, Township 74, Range 8, West of the 6th Meridian. This well was completed as an oil well producing from the Triassic formation. Sinclair Canada Oils Ltd., the operator and driller of the said well under a letter farmout agreement entered into between Phillips Oil Company Limited and Canada Oil Lands Ltd., of the one part, and Sinclair Canada Oils Ltd. and Banff Oils Ltd. of the other part. Sinclair claimed to be entitled to payment from Phillips and Canada Oil Lands Ltd. of the sum of $60,323.33 each, representing their proportionate shares (25% each) of the drilling of the said well to, and completing the said well in, the Triassic.

The Plaintiffs, Phillips and Canada Oil Lands Ltd., deny all liability for any costs of drilling and completing the said well and have asked the Court for a declaration to that effect on the ground that by the terms of the said letter agreement the said well was to be drilled and completed at the sole cost of Sinclair Canada and Banff as the consideration for Sinclair and Banff earning between them an undivided 50% interest in the Spirit River Reservation, which prior to the farmout agreement was wholly owned by Phillips and Canada Oil Lands Ltd. (This Reservation has now been converted to the leases referred to in Paragraph 2(a) of Insert No. 21 hereof. Banff Oil Ltd. is a co-defendant with Sinclair Canada in the said action because it was a co-party with Sinclair Canada to the letter agreement and is entitled to part of the 50% undivided interest in the said well and in the leases taken out of the Spirit River Reservation. Banff has not entered any defence in the action, but Sinclair Canada has entered a defence. The trial of the action is pending.

In the event that Sinclair Canada is successful in defending this action, Phillips' and Canada Oil Lands' respective shares of the drilling and completion costs will be payable out of their respective shares of production from the said well on a penalty basis of twice their respective shares of such costs. **In no event will either Company be liable to pay these costs in cash.**

If the Plaintiffs are successful they will each be entitled to 25% of the proceeds of production from the said well, less operating costs without any deduction for any part of the drilling and completion costs.

The action affects only the one well and does not affect the interest of Phillips in the 47,876 acres of leases formerly comprised in the Spirit River Reservation referred to in Paragraph 2(a) of Insert No. 21.

Item 25.

The general policy of the Company is to acquire selected petroleum and natural gas leases and royalty interests in areas in Alberta in which active exploration and drilling operations are being carried on by major companies, and either by itself or in participation with other companies to carry out exploration work and drilling operations on the Company's properties.

The Company has acquired substantial share interests in Canada Oil Lands Ltd. and Calalta Petroleums Ltd., which companies hold widespread interests in petroleum and natural gas properties in Alberta, Saskatchewan and Manitoba, and are currently engaged in conducting extensive exploration work, mainly through farmouts, on the various Reservations in which they hold substantial interests in Alberta.

In the Grande Prairie area, where gas and high gravity oil has been discovered on the lands in which the Company holds a 25% interest, it is expected that further development drilling will be proceeded with at a fairly early date.

A well to test down to the Devonian formation is now drilling on the Alexander Indian Reserve.

The Company owns gross royalty interests, ranging from 2½% to 6¼% on approximately 3,200 acres situated on the Twin Dome-Okotoks structure. Shell Oil Company has discovered important gas reserves on this structure, containing high sulphur content.

The Carbondale, Savanna Creek, Coleman and Crowsnest Creek Reservations comprising altogether 159,165 acres in Southwestern Alberta, in which the Company holds an undivided 25% interest, have all been farmed out to Shell Oil Company on terms whereby all costs of exploration, rentals and test drilling will be borne without cost to Phillips. Shell has been carrying on exploration work on these Reservations for the past year and further extensive exploration work by Shell is currently being conducted.

In general, the Company plans to retain its mentioned shareholdings and to continue actively the policy of further acquisitions and further development as the opportunity arises.